



# 2012 ANNUAL BENEFITS PAID

EXHIBIT

16  
01/09/2013

MPERA and TRS defined benefit (DB) pension systems distribute monthly benefit payments to over 35,000 retired members or beneficiaries. DB plan members contribute to their retirement plans throughout their careers. Retirement benefits are paid from pension trust funds – more than 70% of benefits paid are from investment earnings.

The chart below shows the amount paid in calendar year 2012 to TRS and MPERA pension benefit recipients in each county. As retirees spend money they provide economic stimulus and stability to each Montana community. 89% of TRS and MPERA retirees live in Montana and support Montana's communities. According to the National Institute on Retirement Security, every \$1 paid to retirees creates \$1.18 in total economic activity in Montana. Over \$305 million in direct economic impact were from expenditures from retiree's benefits.

Source: Boivie, I. 2012. *Pensionomics: Measuring the Economic Impact of DB Pension Expenditures*. Washington DC: National Institute on Retirement Security.

BEAVERHEAD	\$4,920,840	MCCONE	\$1,929,640
BIG HORN	\$3,234,259	MEAGHER	\$947,892
BLAINE	\$2,441,672	MINERAL	\$2,505,768
BROADWATER	\$2,552,216	MISSOULA	\$55,916,368
CARBON	\$4,307,404	MUSSELSHELL	\$1,817,475
CARTER	\$431,933	PARK	\$5,343,192
CASCADE	\$40,949,728	PETROLEUM	\$229,777
CHOUTEAU	\$2,152,766	PHILLIPS	\$1,985,447
CUSTER	\$8,091,998	PONDERA	\$2,605,101
DANIELS	\$1,012,329	POWDER RIVER	\$953,576
DAWSON	\$5,807,684	POWELL	\$5,824,866
DEER LODGE	\$11,267,608	PRAIRE	\$891,169
FALLON	\$1,317,242	RAVALLI	\$11,372,985
FERGUS	\$7,575,347	RICHLAND	\$3,226,159
FLATHEAD	\$33,636,296	ROOSEVELT	\$3,726,198
GALLATIN	\$38,991,964	ROSEBUD	\$2,802,385
GARFIELD	\$355,212	SANDERS	\$3,816,124
GLACIER	\$3,494,411	SHERIDAN	\$1,897,751
GOLDEN VALLEY	\$531,959	SILVER BOW	\$24,741,776
GRANITE	\$1,489,735	STILLWATER	\$3,170,164
HILL	\$8,176,144	SWEET GRASS	\$1,795,717
JEFFERSON	\$11,070,337	TETON	\$3,097,405
JUDITH BASIN	\$711,873	TOOLE	\$2,191,946
LAKE	\$11,031,634	TREASURE	\$502,139
LEWIS & CLARK	\$78,401,906	VALLEY	\$4,572,209
LIBERTY	\$732,688	WHEATLAND	\$897,047
LINCOLN	\$7,226,395	WIBAUX	\$716,613
MADISON	\$2,354,697	YELLOWSTONE	\$64,783,215
		<b>TOTAL</b>	<b>\$508,528,381</b>

A total of \$508,528,381 flows from Montana's DB pension systems back into local and state economies!



Our mission is to efficiently provide quality benefits, education and service to help our plan members and beneficiaries realize a successful retirement.

## Status

Montana's public pension plans work!

Post



Montana Public Employees Retirement Administration

### PERS MEMBER FACTS

- \$37,889 - average PERS member salary
- 49 - average age of an active PERS member
- 19.8 - average years of service at retirement in PERS
- \$13,625 - average annual retirement benefit
- 59.2 - average age of a PERS member at retirement

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Depending on when they were hired, PERS members contribute up to 7.9% of their salary to the retirement fund and receive modest retirement benefit.



Montana Public Employees Retirement Administration

### PERS INFORMATION

- 28,659 - active PERS members
- 18,123 - PERS members receiving benefits
- 533 - participating state and local government employers
- The current PERS shortfall was caused by poor stock market performance in 2008-9

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Retirement systems are a small portion of overall state and local government budgets.



### RESPONSIBLE POLICIES HAVE A LASTING EFFECT

- Employees with a DB plan are more likely to be financially prepared for retirement.
- Policy should focus on long-term solutions.
- Adequate funding today minimizes liabilities tomorrow.
- DB plans are resilient and designed to withstand market volatility.
- We will honor our commitment on time and in full.
- Markets are improving.

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People's lives and security are too important for politics!



Our mission is to promote long-term financial security for our membership while maintaining the stability of the pension fund.

LIKE!



Teachers' Retirement System

### TRS MEMBER FACTS

- \$50,987 - average full-time TRS member salary
- 46 - average age of an active TRS member
- 25.5 - average years of service at retirement in TRS
- \$20,040 - average annual retirement benefits
- 57.9 - average age of a TRS member at retirement

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TRS members contribute 7.15% of their salary to the retirement fund and receive modest retirement benefits.



Teachers' Retirement System

### TRS INFORMATION

- 18,372 - active TRS members
- 13,363 - TRS members receiving benefits
- 366 - participating employers
- The current TRS shortfall was caused by poor stock market performance in 2008-9

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Pensions paid to retirees flow back to support local and state economies.



### PENSIONS PROVIDE RETIREMENT SECURITY!

- Lifetime pensions promote security for our elders.
- Pensions reduce poverty and the need for public assistance.
- Costs and benefits are shared by employees, employers, and State.
- Public pension plans are transparent and accountable.
- Pension plans pool financial risks, maintain diversified portfolios, and are invested by prudent managers.
- Pensions assist in attracting and retaining qualified employees.

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Scaling back pensions can have destabilizing economic impacts, erode retirement security, and harm the workforce.